

The President's Daily Brief

19 July 1971

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FOR THE PRESIDENT ONLY

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PRINCIPAL DEVELOPMENTS

The Jordanian Army's drive against the fedayeen has virtually ended except for mopping-up operations, and has drawn minimal reactions so far from most Arab states other than Iraq. (Page 1)

The new government in Iceland plans to go slowly in approaching the US about renegotiation of its defense agreement. (Page 2)

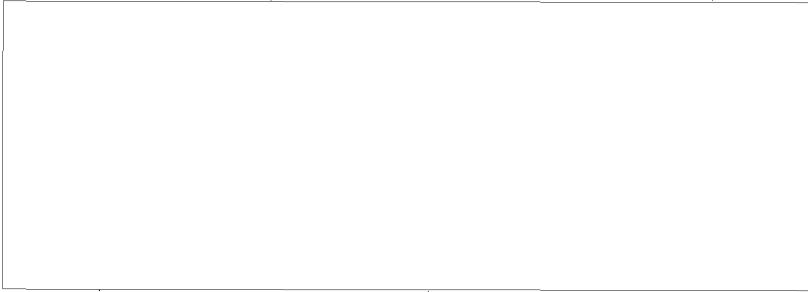
The Cambodian Government intends to present its economic reform program to the National Assembly today. (Page 3)

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JORDAN

Serious fighting between the fedayeen and the Jordanian Army ceased on the morning of 16 July. Some groups of fedayeen have surrendered; the rest are pinned down on the western slopes of the mountains overlooking the Jordan River valley. A number are trying to make their way north to the Syrian border, but others--presumably aware that their chances of making it to Syria were slim--have fled across the river into Israeli-occupied territory and are surrendering to the Israeli authorities.



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Radio Baghdad announced yesterday that Iraq had requested the recall of the Jordanian ambassador and was closing its border with Jordan, but no other Arab country has responded to fedayeen calls for drastic sanctions against Jordan. Representatives of Egypt, Libya, Syria, and the Sudan meeting in Egypt routinely expressed concern over the fighting and urged Jordan to cooperate with the Syrian delegation. A two-man Egyptian-Saudi team is flying to Damascus within a few days to discuss the issue, and President Bourguiba of Tunisia has decided to send an official delegation to Amman.

By and large Jordan has been able to carry out its operation against the fedayeen with only minimal reactions from the rest of the Arab world. The most serious consequences are likely to be a delay in the renewal of Kuwait's subsidy payments to Jordan, and a chill in Jordan's improving relations with Egypt.

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ICELAND

The new center-left government apparently does not plan to approach the US about renegotiation of the defense agreement until after the first of the year. Prime Minister Johannesson and Foreign Minister Agustsson, both from the Progressive Party--the senior member of the new coalition--told Ambassador Replogle on 16 July that they wished first to study the role of the US-manned Icelandic Defense Force in close consultation with NATO. They also pledged that future talks would result in arrangements satisfactory to both sides. Agustsson stated in a press interview the same day that further announcements on defense matters should not be expected in the near future, and that extending Iceland's fishing limits would instead "occupy most of our time."

It is still questionable whether all elements of the Progressive Party as well as more radical members of the coalition will go along with this moderate approach. The defense issue adds one more to the list of disagreements that seem likely to make the government's life stormy and perhaps limited.

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NOTE

Cambodia: The government's economic reform program, which incorporates anti-inflation recommendations made by the International Monetary Fund, is scheduled to be presented to the National Assembly today. There has been considerable apprehension in Phnom Penh that the reform package would run into rough sledding in the legislature from deputies unhappy over the poor state of the country's economy. However, after several weeks of steady deterioration, the economy is taking an upward turn, with first-quality rice once again available on the open market and a definite improvement in the black market rate of the riel. Sirik Matak now is voicing optimism that the economic program will pass the assembly without serious opposition.

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